

DIRECTIVE

WORKFORCE SERVICES

Number: WSD08-2

Date: August 14, 2008

69:123:cs:12008

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: TRANSFER OF FUNDS FOR ADULT AND DISLOCATED WORKER PROGRAMS

EXECUTIVE SUMMARY:

Purpose:

This directive addresses the transfer policy for the Program Year (PY) 2007-08 and PY 2008-09 adult and dislocated worker funds. Based on a waiver extension submitted by the Employment Development Department (EDD) and approved by the Department of Labor (DOL), the transfer limit between the adult and dislocated worker programs has been raised from 50 to 100 percent. The 100 percent transfer limit is applicable only to PY 2007-08 and PY 2008-09 funds. The transfer request, budget, and participant forms are provided as an Internet link to this directive.

Scope:

This directive applies to all Local Workforce Investment Areas (LWIA) that transfer adult and dislocated worker funds.

Effective Date:

This directive is effective on date of issue.

REFERENCES:

- Workforce Investment Act (WIA) Section 133(b)(4)
- WIA Section 134(d)(4)(E)
- Title 20 Code of Federal Regulations (CFR) Section 667.140
- DOL Training and Employment Guidance Letter (TEGL) 23-07, WIA Adult, Dislocated Worker and Youth Activities Program Allotments for PY 2008, et al., (March 25, 2008)
- DOL TEGL 22-06, WIA Adult, Dislocated Worker and Youth Activities Program Allotments for PY 2007, et al., (April 6, 2007)

EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice). TTY users, please call the California Relay Service at 711.

- DOL TEGL 05-03, Implementing the Veterans Priority Provisions of the Jobs for Veterans Act (PL 107-288), (September 16, 2003)
- [DOL Employment and Training Administration Automated Waiver System](#)
- Workforce Services Directive WSD07-8, Subject: Implementation of WIA Statewide Waivers for 2007-2009 (June 10, 2008)
- WIA Directive WIAD02-13, Subject: Dislocated Worker 25 Percent Fund Requirements (April 24, 2003)

STATE-IMPOSED REQUIREMENTS:

This document contains some State-imposed requirements. These requirements are indicated by ***bold italic*** type.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD05-12, dated January 12, 2006, and finalizes Workforce Services Draft Directive WSDD-13, issued for comment on July 10, 2008. The Workforce Services Division (WSD) received one comment during the draft comment period; the commenter requested clarification regarding the recording of participants served with transferred funds into the Job Training Automation (JTA) system. The comment received resulted in a substantive change to this directive which is viewed as highlighted text. The highlighted text will remain on the Internet for 30 days from the issuance date. A summary of the comment is provided as Attachment 4. Retain this directive until further notice.

BACKGROUND:

The WIA allows the transfer of funds between the adult and dislocated worker funding streams in order to maximize customer service and provide local boards with greater flexibility to respond to changes in their local labor markets. On October 23, 2006, the DOL approved the State's request for a waiver of the funds transfer limitation at WIA Section 133(b)(4) and Title 20 CFR 667.140. This waiver raised the transfer authority of LWIAs from 20 percent to 50 percent for adult and dislocated worker funds through June 30, 2007. On February 26, 2008, the DOL granted the State's request to extend and expand its waiver of the funds transfer limitation. This new waiver increases the transfer limit of adult and dislocated worker funds from 50 percent to 100 percent for PY 2007-08 and PY 2008-09. Transfer limits for program funds beyond PY 2008-09 have yet to be determined and will be dependent on Congressional decisions.

POLICY AND PROCEDURES:

The WIA Final Rule Section 667.140(b) states that, before making any funds transfer, a LWIA must obtain the Governor's approval. The EDD has been given the authority to approve transfers on behalf of the Governor. The LWIA may make incremental fund transfers of less than 100 percent between adult and dislocated worker programs provided that it does not transfer more than its total allocation by funding stream.

Each program year the DOL provides funds to the State in two separate allotments. The first allotment begins July 1. The second allotment begins October 1. The State uses the following grant codes when it allocates the funds to the LWIA:

	<u>Adult</u>	<u>Dislocated Worker</u>
First Allocation (July 1)	201	501
Second Allocation (October 1)	202	502

Funds transferred must stay within the original year of allocation (i.e., PY 2007-08 or PY 2008-09). They must also stay within their respective allocation time period (i.e., July 1, first allocation funds, or October 1, second allocation funds). Accordingly, local areas cannot transfer funds between program years or between first and second allocations. The LWIAs must ensure that the funds are not overdrawn during the time a transfer takes place. If this condition occurs, the transfer will not be approved.

In order to accommodate the new DOL reporting requirements, formula funds are no longer transferred directly from the dislocated worker grant codes to the adult grant codes (501 to 201 and 502 to 202) or vice versa (201 to 501 and 202 to 502). Instead, the funds are transferred to distinct grant codes that remain attached to their original funding stream. These grant codes are designated as follows:

	<u>Adult</u>	<u>Dislocated Worker</u>
First Allocation (July 1)	299	499
Second Allocation (October 1)	200	500

Grant Code 299 = First allocation, adult funds that are now to be used as first allocation, dislocated worker funds

Grant Code 499 = First allocation, dislocated worker funds that are now to be used as first allocation, adult funds

Grant Code 200 = Second allocation, adult funds that are now to be used as second allocation, dislocated worker funds

Grant Code 500 = Second allocation, dislocated worker funds that are now to be used as second allocation, adult funds

Adult participants served with funds in grant codes 499 or 500 (transferred dislocated worker funds) are to be entered into the JTA system under grant code 201. Dislocated worker participants served with funds in grant codes 299 or 200 (transferred adult funds) are to be entered into the JTA system under grant code 501.

Transfer requests can be submitted anytime during the two-year life of the funds except during May and June of the second year of availability. However, if during the first year life of the funds a transfer request is received between May 1 and June 30, the transfer will be reviewed and processed in the following fiscal year. If the funds are in the second year of life and a transfer request is received after April 30, the transfer will not be processed and will be returned to the originator.

Transfers Allowed:

- Up to 100 percent of the adult or dislocated worker fund allocation for PY 2007–08 may be transferred between each of these funding streams.
- Up to 100 percent of the adult or dislocated worker fund allocation for PY 2008–09 may be transferred.

Implications of transferring 100 percent of funds:

To the extent a LWIA requests to transfer its entire allocation of dislocated worker funds to the adult program, it should be cognizant of the following implications pertaining to that transfer:

- The State will not consider LWIA requests for funding from the WIA Dislocated Worker 25 Percent Additional Assistance account to mitigate the loss of dislocated worker formula funds resulting from the transfer. The WIA Directives, [WIAD05-18](#) and [WSD07-3](#), describe the policy guidelines for Additional Assistance funds. Pursuant to these guidelines, a LWIA may not apply for Additional Assistance funds based on the contention of dislocated worker allocation “formula insufficiency” resulting from the transfer. However, if a LWIA transfers 100 percent of its dislocated worker formula funds and a dislocation event occurs in the local area, (e.g., specific employer layoff or disaster that changes the local economic conditions), the State will consider a LWIA request for Additional Assistance funds on a case by case basis.
- If the Local Workforce Investment Board (LWIB) has determined that the funds allocated to it for adult employment and training services are limited, priority for intensive and training services must be given to recipients of public assistance and other low income adults. All dislocated worker funds transferred to the adult program will become subject to this priority of service requirement.
- If the LWIB has determined that funds are not limited for adult employment and training services, the local area may offer intensive and training services to all eligible individuals regardless of income status. (If the LWIB has determined that funds are not limited, this should be stated in relevant sections of their local plan.)
- All participants served with funds transferred from the dislocated worker to the adult program will be attributed to the adult program and subject to adult accountability and performance outcomes. Under this scenario, the LWIA will not have any dislocated worker participants or performance outcomes, even though some clients may have otherwise qualified as dislocated workers.

Procedures:

The LWIA must submit transfer requests in writing to the appropriate Regional Advisor (see address options below). All requests must contain the reason(s)/rationale for the transfer, including effects on local services and proposed changes to the local plan. The State will consider the following factors in its review of transfer requests:

- Changes in planned services to eligible participants
- Unexpected layoffs requiring additional funds
- Changes in the goals for serving eligible participants
- Changes in labor market conditions
- Effect of transfer on jointly funded employment and training programs in One-Stop Career Centers
- Effect on existing agreements for the delivery and/or coordination of employment and training services
- Effect on current State and LWIA employment and training systems
- Effect on the employment and training needs of eligible participants in the LWIA

All transfer requests must be approved and signed off by the LWIB and reflected in the local plan of each LWIA. The “Sunshine Provision,” WIA Section 117(e) requires the local board to make available to the public, on a regular basis through open meetings, information regarding the activities of the local board. The LWIB must make the transfer request a specific board agenda item with public comment time available.

New local plan funding amounts will need to be computed based on the completed funds transfer. The local plan will have the new budget and participant forms included as the performance baseline. Though the local plan may reflect a planned transfer, approval of the transfer must still be requested on the appropriate transfer request forms. Approval of the local plan does not constitute approval of the transfer.

Three documents that must be submitted in order to request a transfer:

1. **Transfer Request Form (*Attachment 1*)**—This form describes who is making the request, the transfer amount, and why the transfer is being requested. This document requires signature approval of the designated LWIB representative.
2. **Title IB Participant Plan Summary (*Attachment 2*)**—This form shows the revised participant plan after the funds transfer has taken place.
3. **Title IB Budget Plan Summary (*Attachment 3*)**—This form shows the transfer of funds using the plus and minus format. One form is needed for each transfer of funds.

The assigned Regional Advisor will review the transfer request forms to validate the need for the transfer. On approval of the transfer request, the WSD Financial Management Unit will unilaterally transfer the funds within the LWIA master subgrant. This entire process will be completed as quickly as possible after receipt of the transfer request. The WSD will then forward a completed copy of the subgrant package to the LWIA.

Mail requests to one of the following addresses:

MAIL: Attn: (Name of Regional Advisor)
Workforce Service Division, MIC 50
Employment Development Department
P.O. Box 826880
Sacramento, CA 94280-0001

COURIER SERVICE/
OVERNIGHT MAIL: Attn: (Name of Regional Advisor)
Workforce Services Division, MIC 50
Employment Development Department
800 Capitol Mall
Sacramento, CA 95814

ACTION:

Make the appropriate LWIA policy, administrative, and fiscal staff aware of this directive.

INQUIRIES:

Direct all technical questions regarding this directive to your [Regional Advisor](#) at (916) 654-7799.

/S/ BILL BURKE
Assistant Deputy Director
Workforce Services Branch

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

Attachments

TRANSFER REQUEST

1. LWIA Name _____ Transfer Request No. _____

2. Subgrant Number _____

3. Program Year _____

4. Direction of Transfer (check one)

Adult to Dislocated Worker

☐ 201 → 299

☐ 202 → 200

Dislocated Worker to Adult

☐ 501 → 499

☐ 502 → 500

5. Amount of Transfer _____

6. Reason for Transfer (Include effects on local services and proposed changes to the local plan.)

7. Date of LWIB Meeting to Discuss Transfer _____

8. Print Name of LWIA Administrator/Designee _____

9. "I certify this transfer request was approved at the LWIB meeting date of _____".

10. Signature of LWIA Administrator/Designee _____

11. Contact Person _____

12. Telephone Number _____

13. Date of Request _____

[Form in MS Word](#)

TRANSFER REQUEST FORM

- Line 1. Enter the Local Workforce Investment Area (LWIA) Name. Enter the transfer request number for reference purposes. If this is your LWIA's first transfer request enter 01; subsequent requests are 02, 03, etc.
- Line 2. Enter the Subgrant Number.
- Line 3. Enter the Program Year.
- Line 4. Check the appropriate block regarding the direction of transfer. Only one type of transfer can be entered on each form.
- Line 5. Provide the amount of the transfer. Do not include any amount previously transferred.
- Line 6. Provide the reason(s) for the transfer along with any other pertinent data. Enter the data in the box provided.
- Line 7. Enter the date of the Local Workforce Investment Board (LWIB) meeting during which the transfer request was a specific agenda item with public comment time made available. This is needed to fulfill the "Sunshine Provision" requirement.
- Line 8. Print the name of the LWIA Administrator/Designee with authority to sign for the request.
- Line 9. Enter the date of the local board meeting which the transfer request was approved.
- Line 10. Have the LWIA Administrator/Designee sign the form.
- Line 11. Provide the name of the contact person for reference.
- Line 12. Provide the telephone number of the contact person for reference.
- Line 13. Enter the date of the request.

TRANSFER REQUEST PARTICIPANT PLAN

LWIA: _____

Date: _____

TITLE IB PARTICIPANT PLAN SUMMARY

WIA 118; 20 CFR 661.350(a)(13); TEGL 17-05

Enter the number of individuals in each category.

TOTALS FOR PY 20__	ADULT	DW	YOUTH
1. Registered Participants Carried in from PY 20__			
2. New Registered Participants for PY 20__			
3. Total Registered Participants for PY 20__ (Line 1 plus 2)	0	0	
4. Exiters for PY 20__			
5. Registered Participants Carried Out to PY 20__ (Line 3 minus 4)	0	0	

PROGRAM SERVICES

6. Core Self Services			
7. Core Registered Services			
8. Intensive Services			
9. Training Services			

YOUTH MEASURES

10. Attainment of a Literacy and/or Numeracy Gain			
11. Attainment of a High School Diploma, GED, or Certificate			

EXIT STATUS

12. Entered Employment			
12A. Training-related			
13. Remained with Layoff Employer			
14. Entered Military Service			
15. Entered Advanced Training			
16. Entered Postsecondary Education			
17. Entered Apprenticeship Program			
18. Returned to Secondary School			
19. Exited for Other Reasons			

Contact Person, Title

Telephone Number

Date Prepared

Comments:

[Form in MS Excel](#)

INSTRUCTIONS FOR COMPLETING THE TITLE 1B PARTICIPANT SUMMARY

TOTALS FOR CURRENT PROGRAM YEAR

- Line 1. Enter the number of registered participants carried in from the prior program year for each funding stream.
- Line 2. Enter the new total of registered participants for the program year after funds have been transferred.
- Line 3. This line will auto-fill when using the worksheet from the directive.
- Line 4. Enter the number of planned exiters for the program year.
- Line 5. This line will auto-fill when using the worksheet from the directive.

PROGRAM SERVICES

- Line 6. Enter the number of participants that will receive core self services.
- Line 7. Enter the number of participants that will receive core registered services.
- Line 8. Enter the number of participants that will receive intensive services.
- Line 9. Enter the number of participants that will receive training services.

YOUTH MEASURES

- Lines 10-11. No entry is needed.

EXIT STATUS

- Line 12. Enter the number of participants who began employment.
- Line 12A. Enter the number of participants who have begun employment that is training-related.
- Line 13. Enter the number of dislocated worker participants that remained with the layoff employer.
- Lines 14-18. No entry is needed.
- Line 19. Enter the number of participants that exited for other reasons.

Complete the contact person name, title, telephone number and date prepared. Use the comments block as necessary.

TRANSFER REQUEST BUDGET PLAN

LWIA: _____

Date: _____

TITLE IB BUDGET PLAN SUMMARY (Adult and Dislocated Worker Funds)

WIA 118; 20 CFR 661.350(a)(13)

Subgrant # _____

Year of Appropriation _____

Grant
Code

Adult to Dislocated Worker

☐

201 → 299

☐

202 → 200

Dislocated Worker to Adult

☐

501 → 499

☐

502 → 500

FUNDING IDENTIFICATION	ADULT	DISLOCATED
1. Formula Allocation		
2. Prior Adjustments - Plus or Minus		
3. Previous Amounts Transferred		
4. Current Amount to be Transferred		
5. TOTAL FUNDS AVAILABLE (Lines 1 thru 4)	0	0
TOTAL ALLOCATION COST CATEGORY PLAN		
6. Program Services (Lines 6A through 6E)	0	0
A. Core Self Services		
B. Core Registered Services		
C. Intensive Services		
D. Training Services		
E. Other		
7. Administration		
8. TOTAL (Lines 6 plus 7)	0	0
QUARTERLY TOTAL EXPENDITURE PLAN (Cumulative)		
9. September 20__		
10. December 20__		
11. March 20__		
12. June 20__		
13. September 20__		
14. December 20__		
15. March 20__		
16. June 20__		
17. September 20__		
18. December 20__		
19. March 20__		
20. June 20__		
COST COMPLIANCE PLAN (maximum 10%)		
21. % for Administration Expenditures (Line 7/Line 5)		

Contact Person, Title

Telephone Number

Date Prepared

Comments:

[Form in MS Excel](#)

INSTRUCTIONS FOR COMPLETING THE TITLE IB BUDGET PLAN SUMMARY

Enter the subgrant number and the year of appropriation in the area provided. Use one form for each year of appropriation.

Check the appropriate block regarding the direction of transfer. Use one form for each type of transfer.

FUNDING IDENTIFICATION

Line 1. Enter the amount of formula funds originally allocated to your local area. Include both the July 1 and October 1 WIA allocations for adult (grant codes 201 and 202) and dislocated worker (grant codes 501 and 502).

Line 2. Enter the amount of any prior adjustments using the plus or minus format. Plus adjustments include reallocations (adult grant codes 203 and 204 and dislocated worker grant codes 503 and 504). Minus adjustments include recaptures, rescissions, and other involuntary deobligations.

Line 3. Enter the previous amounts transferred. (see further information below*)

Line 4. Enter the current amount to be transferred. (see further information below*)

*For lines 3 and 4:

- Adult column – Minus amounts are under grant codes 299 and 200; plus amounts are under grant codes 499 and 500.
- Dislocated worker column – Minus amounts are under grant codes 499 and 500; plus amounts are under grant codes 200 and 299.

Line 5. This line will auto-fill from amounts entered on lines 1-4.

TOTAL ALLOCATION COST CATEGORY PLAN

Line 6. This line will auto-fill from amounts entered on lines 6A – 6E.

Line 7. Enter the amount of administrative expenditures.

Line 8. This line will auto-fill from amounts entered on lines 6 and 7.

QUARTERLY TOTAL EXPENDITURE PLAN (Cumulative)

Lines 9-20. Enter the amount of funds expended for each quarter for each funding stream and fill in year.

COST COMPLIANCE PLAN

Line 21. This line will auto-fill from amounts entered on lines 5 and 7. This amount must be less than or equal to 10 percent of line 5.

Complete the contact person, title, telephone number and the date prepared. Use the comments block as necessary.

**Summary of Comments and Resolution of Comments Regarding Directive
“Transfer of Funds for Adult and Dislocated Worker Programs”**

There was one commenter to the draft version of this directive.

Commenter #1 noted that the directive did not address the issue of recording participants into the Job Training Automation (JTA) system. The commenter stated that it is currently unclear as to which grant codes local areas should record into the JTA system for adult and dislocated worker participants served with transferred funds.

Resolution: The directive was revised to include instruction to local areas for the recording of adult and dislocated worker participants served with transferred funds into the JTA system.